

Capitalization in Savings and Credit Co-operative Societies
The Case of Five Selected SACCOs in Moshi Municipality Tanzania
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This study assessed the capitalization of SACCOs in Tanzania using Selected SACCOs in Moshi Municipality as a case in point. Specifically, the study intended to: Identify characteristics of SACCOS in the study area; determine capitalization procedure of the selected SACCOs and challenges facing SACCOs in adhering to capital adequacy requirements and their coping mechanisms. The study employed cross-sectional research design where, purposive sampling technique was applied in selecting a sample. Data were gathered using questionnaire, documentary review and observation and were analysed using descriptive statistics and multiple response techniques. The study found that generally SACCOS had low capitalization and capitalization ratio. The study also found that mismanagement of SACCOs' funds; huge debt burden, member's lack of SACCOs knowledge and lack of proper government policy towards SACCOs growth were key challenges obstructing SACCOs' sustainability. It is recommended that corporate governance is enhanced in SACCOs; the principles of corporate governance as advocated by the institution like World Council for Credit Union (WOCCU) are implemented and enforced all times. SACCOs' board members should ensure that members get copies of relevant documents availed to them for monitoring of the SACCOs activities. It is important that Board members be qualified as unqualified board members may be unable to make proper decisions regarding capitalization of the SACCOs. In order to attain capital adequacy, SACCOs are supposed to improve profitability and retain adequate earning and attract permanent and non withdrawal shares through increasing membership